
A BILL FOR AN ACT

RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Notwithstanding section 88-99, Hawaii Revised
2 Statutes, the purpose of this Act is to include certain law
3 enforcement administrators and employees of the Department of
4 Law Enforcement as class A members of the pension and retirement
5 systems and provides guidance for the computation of retirement
6 benefits similar to police officers.

7 SECTION 2. Section 88-21, Hawaii Revised Statutes, is
8 amended by adding four new definitions to be appropriately
9 inserted and to read as follows:

10 "Deputy director of the department of law enforcement"
11 means a person appointed by the director of law enforcement to
12 regularly serve as a deputy director of the department of law
13 enforcement.

14 "Director of law enforcement" means the person appointed by
15 the governor to regularly serve as the director of law
16 enforcement.



1 "Sheriff" means a person who serves as the administrator of
2 the sheriff division of the department of law enforcement.

3 "Sheriff division investigator" means a person regularly
4 employed by the department of law enforcement with police powers
5 who hold the personnel class specification of investigator."

6 SECTION 3. Section 88-45, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§88-45 Employee contributions.** After June 30, 1988, each
9 class A and class B member shall contribute seven and eight-
10 tenths per cent of the member's compensation to the annuity
11 savings fund; provided that after June 30, 1989, all
12 firefighters, police officers, corrections officers,
13 investigators of the departments of the prosecuting attorney and
14 of the attorney general, narcotics enforcement investigators,
15 water safety officers not making the election under section 88-
16 271, ~~[and]~~ the director of law enforcement, deputy directors of
17 the department of law enforcement, law enforcement
18 investigations staff investigators, the sheriff, and sheriff
19 division investigators shall contribute twelve and two-tenths
20 per cent of their compensation to the annuity savings fund for
21 service in that capacity; provided further that each class A and



1 class B member who becomes a member after June 30, 2012, shall
2 contribute nine and eight-tenths per cent of the member's
3 compensation to the annuity savings fund; provided further that
4 all firefighters, police officers, corrections officers,
5 investigators of the departments of the prosecuting attorney and
6 of the attorney general, narcotics enforcement investigators,
7 [and] the director of law enforcement, deputy directors of the
8 department of law enforcement, law enforcement investigations
9 staff investigators, the sheriff, and sheriff division
10 investigators who become members after June 30, 2012, shall
11 contribute fourteen and two-tenths per cent of their
12 compensation to the annuity savings fund for service in that
13 capacity."

14 SECTION 4. Section 88-47, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) There shall be four classes of members in the system
17 to be known as class A, class B, class C, and class H, defined
18 as follows:

19 (1) Class A shall consist of:

20 (A) Judges, elected officials, and legislative
21 officers;



1 (B) Investigators of the department of the attorney
2 general, narcotics enforcement investigators,
3 water safety officers not making the election
4 under section 88-271, and law enforcement
5 investigations staff investigators;

6 (C) Those members in service [~~prior to~~] before July
7 1, 1984, including those who are on approved
8 leave of absence, not making the election to
9 become a class C member as provided in part VII
10 or to become a class H member as provided in part
11 VIII;

12 (D) The following members in service [~~prior to~~]
13 before July 1, 2006, including those who are on
14 approved leave of absence, not making the
15 election to become a class H member as provided
16 in part VIII:

17 (i) Members whose salaries are set forth in
18 sections 26-52 and 26-53 and their county
19 counterparts, managing directors or an
20 administrative assistant to the mayor, other
21 county department heads, and agency heads



- 1 appointed and subject to removal by the
2 mayor;
- 3 (ii) First deputies appointed by the county
4 attorney and prosecuting attorney;
- 5 (iii) The county clerk and deputy county clerk of
6 each county;
- 7 (iv) The directors of the offices of council
8 services of the county of Maui and the city
9 and county of Honolulu;
- 10 (v) The administrative director of the courts;
- 11 (vi) The deputy administrative director of the
12 courts;
- 13 (vii) The executive officer of the labor and
14 industrial relations appeals board; and
- 15 (viii) The executive officer of the Hawaii labor
16 relations board;
- 17 (E) All former class A retirants who return to
18 employment after June 30, 1984, requiring the
19 retirant's active membership; [and]



(F) All former class B retirants who return to employment requiring the retirant's active membership, except for:

(i) Former retirants who return in the positions of police officer or firefighter;

(ii) Former retirants who were members on July 1, 1957, who elected not to be covered by the Social Security Act; and

(iii) Former retirants who were in positions to which coverage under Title II of the Social Security Act was not extended who entered membership after June 30, 1957, but before January 1, 2004; and

(G) The following members of the department of law enforcement, effective July 1, 2025:

(i) The director of law enforcement;

(ii) The deputy directors of the department of law enforcement;

(iii) The sheriff; and

(iv) Sheriff division investigators;

(2) Class B shall consist of:



- 1 (A) Police officers and firefighters, including
2 former retirants who return to service in such
3 capacity;
- 4 (B) All employees, including former retirants, who
5 were members on July 1, 1957, who elected not to
6 be covered by the Social Security Act; and
- 7 (C) All employees, including former retirants, in
8 positions to which coverage under Title II of the
9 Social Security Act is not extended, who enter
10 membership after June 30, 1957, but before
11 January 1, 2004, not making the election to
12 become a class H member as provided in part VIII;
- 13 (3) Except for members described in paragraphs (1) and
14 (2), class C shall consist of all employees, not
15 making the election to become a class H member as
16 provided in part VIII, who:
- 17 (A) First enter service after June 30, 1984, but
18 before July 1, 2006;
- 19 (B) Reenter service after June 30, 1984, but before
20 July 1, 2006, without vested benefit status as
21 provided in section 88-96(b);



1 (C) Make the election to become a class C member as
2 provided in part VII; or

3 (D) Are former class C retirants who return to
4 service requiring the retirant's active
5 membership; and

6 (4) Except for members described in paragraphs (1) and

7 (2), class H shall consist of all employees who:

8 (A) First enter service after June 30, 2006;

9 (B) Reenter service after June 30, 2006, without
10 vested benefit status as provided in section
11 88-96(b);

12 (C) Make the election to become a class H member as
13 provided in part VIII; or

14 (D) Are former class H retirants who return to
15 service requiring the retirant's active
16 membership."

17 SECTION 5. Section 88-74, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending subsection (b) to read:

20 "(b) If a member, who became a member before July 1, 2012,
21 has attained age fifty-five, the member's maximum retirement



1 allowance shall be two per cent of the member's average final
2 compensation multiplied by the total number of years of the
3 member's credited service as a class A and class B member,
4 excluding any credited service as a judge, elective officer, or
5 legislative officer, plus a retirement allowance of one and one-
6 fourth per cent of the member's average final compensation
7 multiplied by the total number of years of prior credited
8 service as a class C member, plus a retirement allowance of two
9 per cent of the member's average final compensation multiplied
10 by the total number of years of prior credited service as a
11 class H member; provided that:

12 (1) After June 30, 1968, if the member has at least ten
13 years of credited service of which the last five or
14 more years [~~prior to~~] before retirement is credited
15 service as a firefighter, police officer, or [~~an~~]
16 investigator of the department of the prosecuting
17 attorney;

18 (2) After June 30, 1977, if the member has at least ten
19 years of credited service of which the last five or
20 more years [~~prior to~~] before retirement is credited
21 service as a corrections officer;



- 1 (3) After June 16, 1981, if the member has at least ten
2 years of credited service of which the last five or
3 more years [~~prior to~~] before retirement is credited
4 service as an investigator of the department of the
5 attorney general;
- 6 (4) After June 30, 1989, if the member has at least ten
7 years of credited service of which the last five or
8 more years [~~prior to~~] before retirement is credited
9 service as a narcotics enforcement investigator;
- 10 (5) After December 31, 1993, if the member has at least
11 ten years of credited service of which the last five
12 or more years [~~prior to~~] before retirement is credited
13 service as a water safety officer;
- 14 (6) After June 30, 1994, if the member has at least ten
15 years of credited service, of which the last five or
16 more years [~~prior to~~] before retirement are credited
17 service as a law enforcement investigations staff
18 investigator;
- 19 (7) After June 30, 2002, if the member:
20 (A) Has at least ten years of credited service as a
21 firefighter;



1 (B) Is deemed permanently medically disqualified due
2 to a [~~service-related~~] service-related disability
3 to be a firefighter by the employer's physician;
4 and

5 (C) Continues employment in a class A or B position
6 other than a firefighter; [~~and~~]

7 (8) After June 30, 2004, if the member:

8 (A) Has at least ten years of credited service as a
9 police officer;

10 (B) Is deemed permanently medically disqualified due
11 to a [~~service-related~~] service-related disability
12 to be a police officer by the employer's
13 physician; and

14 (C) Continues employment in a class A or B position
15 other than a police officer; and

16 (9) After June 30, 2025, if the member has at least ten
17 years of credited service, of which the last five or
18 more years before retirement are credited service as
19 the director of law enforcement, deputy director of
20 the department of law enforcement, the sheriff, or
21 sheriff division investigator,



1 then for each year of service as a firefighter, police officer,
2 corrections officer, investigator of the department of the
3 prosecuting attorney, investigator of the department of the
4 attorney general, narcotics enforcement investigator, water
5 safety officer, ~~[or]~~ director of law enforcement, deputy
6 director of the department of law enforcement, law enforcement
7 investigations staff investigator, the sheriff, or sheriff
8 division investigator, the retirement allowance shall be two and
9 one-half per cent of the member's average final compensation.
10 The maximum retirement allowance for those members shall not
11 exceed eighty per cent of the member's average final
12 compensation. If the member has not attained age fifty-five,
13 the member's retirement allowance shall be computed as though
14 the member had attained age fifty-five, reduced for age as
15 provided in subsection (e)."

16 2. By amending subsections (e) and (f) to read:

17 "(e) Except as provided in subsections (b), (c), and (d),
18 if a member, who became a member before July 1, 2012, has not
19 attained age fifty-five at the date of retirement, the member's
20 retirement allowance shall be reduced, for each month the



1 member's age at the date of retirement is below age fifty-five,
2 as follows:

3 (1) 0.4166 per cent for each month below age fifty-five
4 and above age forty-nine and eleven months; plus

5 (2) 0.3333 per cent for each month below age fifty and
6 above age forty-four and eleven months; plus

7 (3) 0.2500 per cent for each month below age forty-five
8 and above age thirty-nine and eleven months; plus

9 (4) 0.1666 per cent for each month below age forty;

10 provided that no reduction shall be made if the member has at
11 least twenty-five years of credited service as a firefighter,
12 police officer, corrections officer, investigator of the
13 department of the prosecuting attorney, investigator of the
14 department of the attorney general, narcotics enforcement
15 investigator, director of law enforcement, deputy director of
16 the department of law enforcement, law enforcement
17 investigations staff investigator, the sheriff, sheriff division
18 investigator, sewer worker, or water safety officer, of which
19 the last five or more years [~~prior to~~] before retirement is
20 credited service in these capacities.



1 (f) If a member, who becomes a member after June 30, 2012,
2 has attained age sixty, the member's maximum retirement
3 allowance shall be one and three-fourths per cent of the
4 member's average final compensation multiplied by the total
5 number of years of the member's credited service as a class A
6 and class B member, excluding any credited service as a judge,
7 elective officer, or legislative officer, plus a retirement
8 allowance of one and one-fourth per cent of the member's average
9 final compensation multiplied by the total number of years of
10 prior credited service as a class C member, plus a retirement
11 allowance of one and three-fourths per cent of the member's
12 average final compensation multiplied by the total number of
13 years of prior credited service as a class H member; provided
14 that:

15 (1) If the member has at least ten years of credited
16 service of which the last five or more years [~~prior~~
17 ~~to~~] before retirement is credited service as a
18 firefighter, police officer, or an investigator of the
19 department of the prosecuting attorney;

20 (2) If the member has at least ten years of credited
21 service of which the last five or more years [~~prior~~



1 ~~to~~] before retirement is credited service as a
2 corrections officer;

3 (3) If the member has at least ten years of credited
4 service of which the last five or more years [~~prior~~
5 ~~to~~] before retirement is credited service as an
6 investigator of the department of the attorney
7 general;

8 (4) If the member has at least ten years of credited
9 service of which the last five or more years [~~prior~~
10 ~~to~~] before retirement is credited service as a
11 narcotics enforcement investigator;

12 (5) If the member has at least ten years of credited
13 service, of which the last five or more years [~~prior~~
14 ~~to~~] before retirement is credited service as a law
15 enforcement investigations staff investigator;

16 (6) After June 30, 2025, if the member has at least ten
17 years of credited service, of which the last five or
18 more years before retirement is credited service as a
19 director of law enforcement, deputy director of the
20 department of law enforcement, the sheriff, or sheriff
21 division investigator;



1 [~~(6)~~] (7) If the member:

2 (A) Has at least ten years of credited service as a
3 firefighter;

4 (B) Is deemed permanently medically disqualified due
5 to a [~~service-related~~] service-related disability
6 to be a firefighter by the employer's physician;
7 and

8 (C) Continues employment in a class A or class B
9 position other than a firefighter; and

10 [~~(7)~~] (8) If the member:

11 (A) Has at least ten years of credited service as a
12 police officer;

13 (B) Is deemed permanently medically disqualified due
14 to a [~~service-related~~] service-related disability
15 to be a police officer by the employer's
16 physician; and

17 (C) Continues employment in a class A or class B
18 position other than a police officer,

19 then for each year of service as a firefighter, police officer,
20 corrections officer, investigator of the department of the
21 prosecuting attorney, investigator of the department of the



1 attorney general, narcotics enforcement investigator, [~~or~~]
2 director of law enforcement, deputy director of the department
3 of law enforcement, law enforcement investigations staff
4 investigator, the sheriff, or sheriff division investigator, the
5 retirement allowance shall be two and one-fourth per cent of the
6 member's average final compensation. The maximum retirement
7 allowance for those members shall not exceed eighty per cent of
8 the member's average final compensation. If the member has not
9 attained age sixty, the member's retirement allowance shall be
10 computed as though the member had attained age sixty, reduced
11 for age as provided in subsection (i)."

12 3. By amending subsection (i) to read:

13 "(i) Except as provided in subsections (f), (g), and (h),
14 if a member, who becomes a member after June 30, 2012, has not
15 attained age sixty at the date of retirement, the member's
16 retirement allowance shall be reduced, for each month the
17 member's age at the date of retirement is below age sixty, as
18 follows:

19 (1) 0.4166 per cent for each month below age sixty and
20 above age fifty-four and eleven months; plus



1 (2) 0.3333 per cent for each month below age fifty-five
2 and above age forty-nine and eleven months; plus
3 (3) 0.2500 per cent for each month below age fifty and
4 above age forty-four and eleven months; plus
5 (4) 0.1666 per cent for each month below age forty-five;
6 provided that no reduction shall be made if the member has
7 attained the age of fifty-five and has at least twenty-five
8 years of credited service as a firefighter, police officer,
9 corrections officer, investigator of the department of the
10 prosecuting attorney, investigator of the department of the
11 attorney general, narcotics enforcement investigator, director
12 of law enforcement, deputy director of the department of law
13 enforcement, law enforcement investigations staff investigator,
14 the sheriff, sheriff division investigator, sewer worker, water
15 safety officer, or emergency medical technician, of which the
16 last five or more years [~~prior to~~] before retirement is credited
17 service in these capacities."

18 SECTION 6. Section 88-122, Hawaii Revised Statutes, is
19 amended as follows:

20 1. By amending subsection (a) to read:



1 "(a) Based on regular interest and such mortality and
2 other tables as are adopted by the board of trustees, the
3 actuary engaged by the board, on the basis of successive annual
4 actuarial valuations, shall determine the employer's normal cost
5 and accrued liability contributions for each fiscal year
6 beginning July 1 separately for the following two groups of
7 employees:

8 (1) Police officers, firefighters, ~~[and]~~ corrections
9 officers~~;~~], the director of law enforcement,
10 deputy directors of the department of law enforcement,
11 the sheriff, law enforcement investigations staff
12 investigators, or sheriff division investigators; and

13 (2) All other employees."

14 2. By amending subsection (e) to read:

15 "(e) Commencing with fiscal year 2005-2006 and each
16 subsequent fiscal year until fiscal year 2007-2008, the employer
17 contributions for normal cost and accrued liability for each of
18 the two groups of employees in subsection (a) shall be based on
19 fifteen and three-fourths per cent of the member's compensation
20 for police officers, firefighters, and corrections officers and
21 thirteen and three-fourths per cent of the member's compensation



1 for all other employees. Commencing with fiscal year 2008-2009
2 and each subsequent fiscal year until fiscal year 2011-2012, the
3 employer contributions for normal cost and accrued liability for
4 each of the two groups of employees in subsection (a) shall be
5 based on nineteen and seven-tenths per cent of the member's
6 compensation for police officers, firefighters, and corrections
7 officers and fifteen per cent of the member's compensation for
8 all other employees. In fiscal year 2012-2013, the employer
9 contributions for normal cost and accrued liability for each of
10 the two groups of employees in subsection (a) shall be based on
11 twenty-two per cent of the member's compensation for police
12 officers, firefighters, and corrections officers and fifteen and
13 one-half per cent of the member's compensation for all other
14 employees. In fiscal year 2013-2014, the employer contributions
15 for normal cost and accrued liability for each of the two groups
16 of employees in subsection (a) shall be based on twenty-three
17 per cent of the member's compensation for police officers,
18 firefighters, and corrections officers and sixteen per cent of
19 the member's compensation for all other employees. In fiscal
20 year 2014-2015, the employer contributions for normal cost and
21 accrued liability for each of the two groups of employees in



1 subsection (a) shall be based on twenty-four per cent of the
2 member's compensation for police officers, firefighters, and
3 corrections officers and sixteen and one-half per cent of the
4 member's compensation for all other employees. Commencing with
5 fiscal year 2015-2016 until fiscal year 2016-2017, the employer
6 contributions for normal cost and accrued liability for each of
7 the two groups of employees in subsection (a) shall be based on
8 twenty-five per cent of the member's compensation for police
9 officers, firefighters, and corrections officers and seventeen
10 per cent of the member's compensation for all other employees.
11 In fiscal year 2017-2018, the employer contributions for normal
12 cost and accrued liability for each of the two groups of
13 employees in subsection (a) shall be based on twenty-eight per
14 cent of the member's compensation for police officers,
15 firefighters, and corrections officers and eighteen per cent of
16 the member's compensation for all other employees. In fiscal
17 year 2018-2019, the employer contributions for normal cost and
18 accrued liability for each of the two groups in subsection (a)
19 shall be based on thirty-one per cent of the member's
20 compensation for police officers, firefighters, and corrections
21 officers and nineteen per cent of the member's compensation for



1 all other employees. In fiscal year 2019-2020, the employer
2 contributions for normal cost and accrued liability for each of
3 the two groups in subsection (a) shall be based on thirty-six
4 per cent of the member's compensation for police officers,
5 firefighters, and corrections officers and twenty-two per cent
6 of the member's compensation for all other employees.
7 Commencing with fiscal year 2020-2021 and each subsequent fiscal
8 year, the employer contributions for normal cost and accrued
9 liability for each of the two groups in subsection (a) shall be
10 based on forty-one per cent of the member's compensation for
11 police officers, firefighters, ~~[and]~~ corrections officers, the
12 director of law enforcement, deputy directors of the department
13 of law enforcement, the sheriff, law enforcement investigations
14 staff investigators, and sheriff division investigators and
15 twenty-four per cent of the member's compensation for all other
16 employees. The contribution rates shall amortize the total
17 unfunded accrued liability of the entire plan over a period not
18 to exceed the maximum funding period.

19 The contribution rates shall be subject to adjustment:

- 20 (1) If the actual period required to amortize the unfunded
21 accrued liability exceeds the maximum funding period;



- 1 (2) If there is no unfunded accrued liability; or
2 (3) Based on the actuarial investigation conducted in
3 accordance with section 88-105."

4 SECTION 7. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 8. This Act shall take effect on July 1, 3000.



H.B. NO. 1183 H.D. 2

Report Title:

DLE; Retirement for Public Officers and Employees; Allowances;
Contributions; Pension and Retirement Systems

Description:

Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers. Effective 07/01/3000. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

